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Approved by:

Suzanne E. Heinen

U.S. Embassy Mexico City

Prepared by:

Gabriel Hernandez & Dulce Flores

Report Highlights:

Supply and use estimates for MY 2004 and 2005 (Jan-Dec) are largely unchanged. Mexico continues to be a growing producer of chicken meat as well as a growing importer, with imports of meat forecast to reach 364,000 MT in 2005. Turkey production is expected somewhat lower in 2005 as imports of parts and mechanically separated meat rise to meet demand from the food processing industry. The Government of Mexico continues to maintain import restrictions for certain poultry products from certain U.S. states following the detection of Low Pathogenic Avian Influenza in 2004.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

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SECTION I. Situation and Outlook**➤ Poultry Situation and Outlook**

2005 forecasts of chicken meat supply and use remain unchanged as production of chicken meat continues to expand, spurred by population growth, competitive prices, rising incomes, and growing consumer health consciousness. The July 2003 safeguard agreement on chicken leg quarters continues to provide some additional trade protection for the Mexican industry. Turkey meat production is now forecast slightly lower in the face of stiff competition from U.S. and Chilean imports.

Mexico's poultry imports are largely comprised of chicken leg quarters, turkey parts for further processing, and mechanically separated meat (MSM). With limited domestic production of MSM, imports of these products for MY 2005 are forecast to increase as demand from Mexico's food and meat processors continues to grow. Imports of MSM for further processing are not affected by the Government of Mexico's restrictions on Low Pathogenic Avian Influenza, which apply to the U.S. states of California, Connecticut, Delaware, Maryland, Missouri, New Jersey, Texas, and Pennsylvania.

Recently, because of administrative concerns, the Government of Mexico closed Reynosa as a port-of-entry to frozen chicken leg quarters (CLQ) and selected meat varieties (H.T.S. 0207.14.04 & 0206.29.99, respectively). A plan is currently being developed that would permit the re-opening of this crossing point.

SECTION II. Statistical Tables

➤ POULTRY, MEAT, BROILER

Country:	Mexico					
Commodity:	Poultry, Meat, Broiler		(1000 MT) (MIL HEAD)			
	2003 Revised		2004 Estimate		2005 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	01/2003		01/2004		01/2005	
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	2290	2290	2400	2400	2520	2520
Whole, Imports	0	0	0	0	0	0
Parts, Imports	337	337	356	356	364	364
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	337	337	356	356	364	364
TOTAL SUPPLY	2627	2627	2756	2756	2884	2884
Whole, Exports	0	0	0	0	0	0
Parts, Exports	1	1	1	1	1	1
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	1	1	1	1	1	1
Human Consumption	2626	2626	2755	2755	2883	2883
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	2626	2626	2755	2755	2883	2883
TOTAL Use	2627	2627	2756	2756	2884	2884
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	2627	2627	2756	2756	2884	2884
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

➤ POULTRY, MEAT, TURKEY

Mexico						
Commodity	Poultry, Meat, Turkey				(1000 MT) (MIL HEAD)	
	2003 Revised		2004 Estimate		2005 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	01/2003		01/2004		01/2005	
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	14	14	17	14	17	14
Whole, Imports	0	0	0	0	0	0
Parts, Imports	158	158	168	171	173	176
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	158	158	168	171	173	176
TOTAL SUPPLY	172	172	185	185	190	190
Whole, Exports	0	0	1	1	1	1
Parts, Exports	2	1	0	0	0	0
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	2	1	2	1	1	1
Human Consumption	170	171	183	184	189	189
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	170	171	183	184	189	189
TOTAL Use	172	172	185	185	190	190
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	172	172	185	185	190	190
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

➤ **BROILERS RETAIL PRICE**

BROILERS RETAIL PRICE, Mexico City				PESOS/KILOGRAM
MONTH	2002	2003	2004	% Change 03/04
JANUARY	18.06	18.31	18.32	0.05
FEBRUARY	16.12	18.73	18.69	(0.21)
MARCH	15.08	18.60	18.74	0.75
APRIL	16.98	18.42	18.64	1.19
MAY	17.92	18.47	18.85	2.05
JUNE	18.54	18.24	18.83	3.23
JULY	18.25	18.10	18.77	3.70
AUGUST	17.93	18.06	19.22	6.42
SEPTEMBER	17.59	18.50	19.60	5.95
OCTOBER	17.70	17.87	18.64	4.31
NOVEMBER	17.74	17.25	N/A	N/A
DECEMBER	18.19	17.97	N/A	N/A
ANNUAL AVG.	17.51	18.21	N/A	N/A

SOURCE: NATIONAL POULTRY ASSOCIATION, UNA.

➤ **BROILERS WET MARKET PRICES**

BROILERS ^A WET MARKET PRICES, MEXICO CITY				PESOS/KILOGRAM
MONTH	2002	2003	2004	% Change 03/04
JANUARY	18.00	20.70	18.08	(12.65)
FEBRUARY	17.50	21.00	18.17	(13.47)
MARCH	18.17	21.20	19.63	(7.40)
APRIL	19.75	21.00	18.88	(10.09)
MAY	20.30	21.67	16.83	(22.33)
JUNE	20.25	22.17	19.35	(12.72)
JULY	19.92	22.36	20.38	(8.86)
AUGUST	20.71	21.60	20.25	(6.25)
SEPTEMBER	20.00	22.50	20.21	(10.18)
OCTOBER	20.20	16.50	18.10	9.70
NOVEMBER	20.13	17.25	N/A	N/A
DECEMBER	20.90	18.08	N/A	N/A
ANNUAL AVG.	19.70	20.50	N/A	N/A

^A Whole chicken including offal

SOURCE: NATIONAL POULTRY ASSOCIATION, UNA.

➤ **LEG QUARTER RETAIL PRICES**

LEG QUARTER WHOLESALE PRICES, MEXICO CITY				PESOS/KILOGRAM
MONTH	2002	2003	2004	% Change 03/04
JANUARY	17.14	18.50	18.34	(0.86)
FEBRUARY	15.92	20.12	18.83	(6.41)
MARCH	17.69	19.98	20.10	0.60
APRIL	17.82	19.61	18.62	(5.05)
MAY	18.35	19.54	18.50	(5.32)
JUNE	19.78	22.30	19.20	(13.90)
JULY	19.33	21.00	21.84	4.00
AUGUST	18.69	18.95	22.40	18.21
SEPTEMBER	18.96	16.54	19.64	18.74
OCTOBER	18.00	16.63	19.55	17.56
NOVEMBER	18.30	16.07	20.32	26.45
DECEMBER	18.91	17.32	21.16	22.17
ANNUAL AVG.	18.24	18.88	19.87	5.24

SOURCE: NATIONAL INFORMATION MARKET SERVICE, (SNIIM)

➤ **BEEF CARCASS WHOLESALE PRICES**

BEEF CARCASS WHOLESALE PRICES, MEXICO CITY			PESOS/KILOGRAM
MONTH	2003	2004	Change %
JANUARY	24.04	26.91	11.93
FEBRUARY	24.18	27.33	13.02
MARCH	24.30	27.11	11.56
APRIL	24.19	27.10	12.03
MAY	24.10	27.12	12.53
JUNE	24.11	27.16	12.65
JULY	24.02	27.36	13.91
AUGUST	24.11	29.00	20.28
SEPTEMBER	24.08	30.91	28.36
OCTOBER	24.17	31.60	30.74
NOVEMBER	24.91	31.79	27.62
DECEMBER	25.48	N/A	N/A
ANNUAL AVG.	24.30	N/A	N/A

SOURCE: NATIONAL MARKET INFORMATION SERVICE (SNIM)

➤ MEXICAN IMPORTS FOR SELECTED POULTRY PRODUCTS

Jan-Sep 2004

H.S.T.	Description & Country of Origin	Volume MT
0105.11.01	Day old chicks, which do not need feeding during transport	
	U.S.	1,178
	SPAIN	50
	OTHER	66
	SUBTOTAL (Thousand head)	1,294
0105.11.02	Breeding stock, layer-type with selected breed certificate when imports are no more of 15,000 heads in each operation	
	U.S.	304
	NETHERLANDS	12
	OTHER	13
	SUBTOTAL (Thousand head)	329
0105.11.99	Other	
	U.S. and subtotal	144
0105.19.99	Other (Chickens)	
	U.S.	4
	OTHER	14
	SUBTOTAL (Thousand head)	18
0207.11.01	Other fresh or chilled whole poultry	
	U.S. and subtotal	0
0207.12.01	Other frozen whole poultry	
	U.S.	0
	OTHER	1
	SUBTOTAL	1
0207.25.01	Whole frozen turkey	
	U.S.	577
	CHILE	86
	OTHER	0
	SUBTOTAL	663
0207.33.01	Whole ducks, geese & guineas frozen	
	U.S.	368
	OTHER	236
	SUBTOTAL	604
0207.26.01	Mechanically deboned turkey meat	
	U.S. and subtotal	1,849
0207.26.99	Fresh & chilled turkey parts	
	U.S.	50,587
	Other	0
	SUBTOTAL	50,587
0207.13.01	Mechanically deboned chicken meat fresh or Chilled	
	U.S. and subtotal	63,022
0207.14.01	Mechanically deboned chicken meat frozen	
	U.S.	32,200
	CHILE	28,448
	SUBTOTAL	60,648
0207.13.99	Fresh & chilled chicken parts	
	U.S. and subtotal	355
0207.14.99	Frozen poultry parts	

H.S.T.	Description & Country of Origin	Volume MT
	U.S.	865
	OTHER	2,443
	SUBTOTAL	3,308
0207.13.03	Chicken Leg Quarter, Fresh/chilled	
	U.S.	22,347
	OTHER	0
	SUBTOTAL	22,347
0207.14.04	Chicken Leg Quarter, Frozen	
	U.S.	65,342
	OTHER	458
	SUBTOTAL	65,800
0207.27.01	Mechanically deboned turkey meat, frozen	
	U.S.	5,821
	OTHER	3,243
	SUBTOTAL	9,064
0207.27.99	Frozen turkey parts	
	U.S.	28,478
	OTHER	71
	SUBTOTAL	28,549
0207.36.99	Duck, geese or guineas cuts, frozen	
	U.S.	15
	OTHER	7
	SUBTOTAL	22
0207.14.02 0207.36.01	Poultry livers	
	U.S. and subtotal	0
0407.00.01	Table eggs, fresh, including hatching eggs	
	U.S.	17
	OTHER	0
	SUBTOTAL	17
1601.00.01	Sausages of broiler or turkey	
	U.S.	11,265
	OTHER	24
	SUBTOTAL	11,289
1602.31.01	Processed meat (Turkey)	
	U.S.	957
	OTHER	45
	SUBTOTAL	1,002
1602.32.01	Prepared or preserved chicken meat or offal	
	U.S.	3,700
	OTHER	80
	SUBTOTAL	3,780
1602.39.99	Other processed poultry meat	
	U.S.	4
	OTHER	4
	SUBTOTAL	8
0207.13.02	Chicken carcasses	
	U.S. & subtotal	9,369
0207.14.03	Chicken carcasses	

H.S.T.	Description & Country of Origin	Volume MT
	U.S. & subtotal	4,330
0207.26.02	Turkey carcasses	
	U.S. & subtotal	0
0207.27.03	Turkey carcasses	
	U.S. & subtotal	0

➤ **PER CAPITA CONSUMPTION**

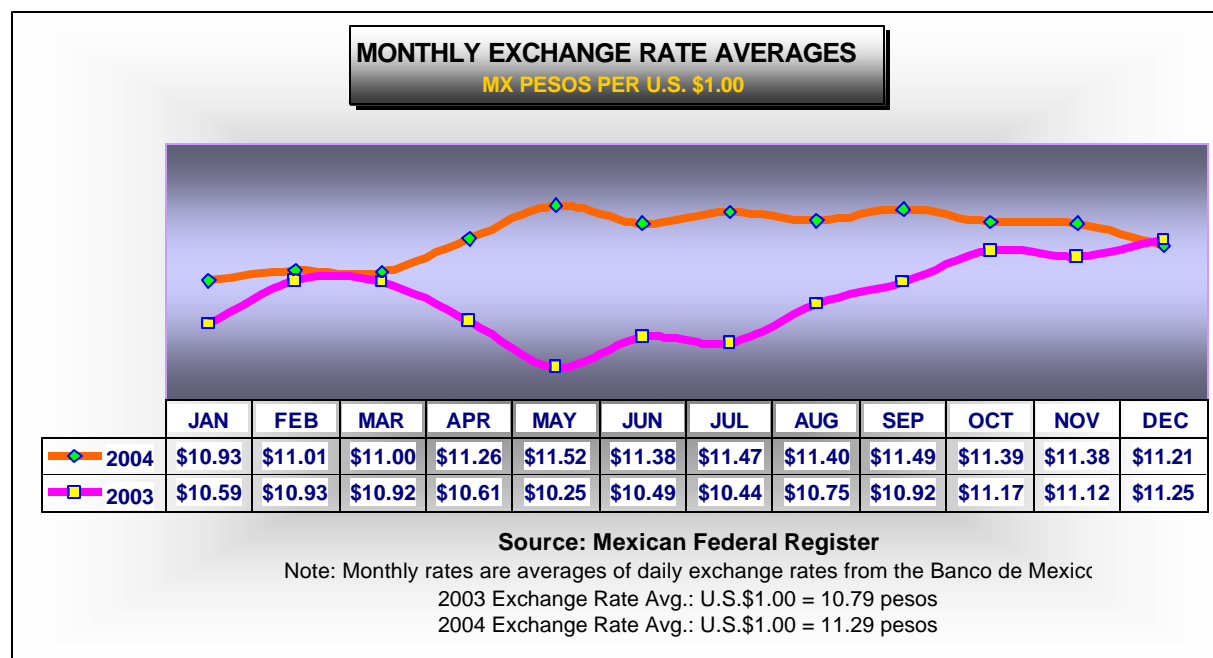
PER CAPITA CONSUMPTION				
Products / pounds-	2001	2002	2003	2004 ^①
EGGS	44.50	44.54	41.96	42.33
CHICKEN MEAT	45.97	47.80	49.09	50.52
TURKEY MEAT ^②	4.18	4.29	4.40	4.51

Source: UNA (National Poultry Association)

^① Forecast

^② Includes whole turkey, turkey parts and processed products.

➤ **MONTHLY EXCHANGE RATE**



SECTION III. Narrative on Supply and Demand, Policy & Marketing**CHICKEN MEAT**

Estimates of chicken meat supply and demand in this report are unchanged from the previous official USDA estimates. All 2003 estimates are based on final official or final industry data.

➤ PRODUCTION

Mexican chicken production continues to rise as producers enjoy growing demand for their products. Effective marketing campaigns, strong financial positions among chicken processors, and continued improvement in product quality should contribute to increased production. Producers also appear to have benefited from the trade protections afforded by the safeguard agreement for chicken leg quarters, which has been in place since 2003. Chicken meat is generally the least expensive meat in Mexico.

Costs of production for MY 2005 are expected to increase with anticipated regular increases in the cost of electricity and transportation. In the case of electricity, despite the availability of lower rates for agricultural producers, some poultry producers say that supplies of electricity at the lower rates are not always sufficient, leaving them to use electricity at the established consumer rates. As the industry expands and demands more electricity, this added cost is expected to become more burdensome. However, lower U.S. prices for grain and oilseeds should help to offset much of the increase in costs of other inputs.

➤ CONSUMPTION

Chicken meat demand is considered to be relatively elastic in Mexico, so changes in price result in significant changes in consumption, particularly among lower income consumers. If prices rise, consumers can switch to cheaper beans. Similarly, if prices drop, chicken tends to be the first meat adopted by lower income consumers. Additionally, among medium and higher income consumers, health consciousness and concerns about cholesterol are prompting growth in chicken consumption. Consumers continue to prefer fresh whole chickens to chicken parts. Although, purchases of chicken parts are increasing, mainly in Mexico's rapidly growing supermarket sector which caters primarily to higher-income consumers. Also, Mexican consumers tend to prefer dark meat to white meat. However, medium and high-income consumers appear to be expanding their consumption of white meat.

For 2004, estimated average wholesale prices for CLQs in the northern border region were USD \$ 0.29 per lb. Retail prices for the same product in the main border region cities (Nuevo Laredo, Reynosa, Tijuana and Ciudad Juarez) ranged between USD \$ 0.39 - \$ 0.63 per lb. Wholesale CLQ prices in Mexico City ranged between USD \$ 0.74 and 0.87 cents during 2004, well above prices in the border area, demonstrating that imports of CLQs under the safeguard agreement affected prices near the border, but provided sufficient protection to leave CLQ prices significantly higher in interior markets. In 2003, prices of CLQs marketed at the border averaged USD \$ 0.38 per Lb. For retail prices in Mexico City see table on Section II. Statistical Tables.

➤ TRADE

Chicken and turkey meat are the primary poultry products imported by Mexico. The processing industry imports most of the MSM and chicken cuts as inputs for the domestic sausage and lunchmeat industries.

The final safeguard imposed on U.S. chicken leg quarters in July 2003 has been administered in accordance with the terms of the agreement (see report MX 3099). According to the most recent official Mexican trade data, imported CLQs under H.T.S. 0207.13.03 & 0207.14.04 were 88,147 MT, as of September 2004, nearly 14 percent above the 77,632 MT imported as of September 2003. The tariff phase-out schedule and the annual 1-percent increase in TRQ volume for CLQs are shown in the following table.

YEAR	TRQ (MT)	TARIFF	HIGH-RATE TARIFF
2003	100,000	0	98.8
2004	101,000	0	79.0
2005	102,010	0	59.3
2006	103,030	0	39.5
2007	104,060	0	19.8
2008	0	0	0

Effective January 1, 2008, Mexico will provide full duty-free access and eliminate the import licensing requirements for U.S. CLQs.

Mexico's Secretariat of Agriculture (SAGARPA) deems any Low Pathogenic Avian Influenza (LPAI) strain other than H5 as being exotic to Mexico. As a result, detections of various LPAI strains in the United States led to the imposition of import restrictions for several U.S. states during 2004. Most recently, on September 13, 2004, SAGARPA, through the Office of Animal Health, notified the U.S. government that they were banning imports of raw poultry meat for direct consumption, live birds, and hatching, table eggs and Specific Pathogen Free (SPF) eggs from Missouri due to detections of LPAI in that state. Currently, import restrictions continue for the states of California, Connecticut, Delaware, Maryland, New Jersey, Texas, and Pennsylvania because of detections of LPAI, and for the following Texas counties due to a 2004 detection of High Pathogenic Avian Influenza: Gonzales, Guadalupe, Galdwell, Bastrop, Fayette, La Vaca, De Witt, Karnes, Wilson, Comal and Hays. (see MX4123). USDA technical experts continue to work with SAGARPA in an effort to have these restrictions lifted.

On December 28, 2004, the Secretariat of Treasury (SHCP) published in the *Diario Oficial* (Federal Register) the Sixth Resolution modifying the 2004 Foreign Trade General Rules, in which the closure of the Mexican border city of Reynosa and the opening of the Pacific port of Salina Cruz were established for the entry of apples, certain variety meats, and frozen chicken leg quarters. (see MX 5002). Mexican officials appear to have imposed the restrictions in an effort to address issues relating to the port's administration and concerns about the use of court injunctions (*amparos*) which enabled importers to evade the terms of the safeguard agreement. It's estimated that 20,000 MT of frozen CLQ crossed Reynosa under *amparos*, during 2004. Officials are currently working on a plan that would enable the port to re-open with improved administrative procedures. Other ports of entry are not affected by this decision.

The following table summarizes the regulations that are currently being implemented by the Mexican government for U.S. live poultry and poultry meat exports.

➤ **REGULATIONS FOR POULTRY AND POULTRY PRODUCTS EXPORTS**

Item	Raw Poultry Direct Consumption	Raw poultry Further Processing	Fully Cooked Products	Table and Hatching Eggs	Live Birds
AI STATES EXPORT STATUS	NO	YES	YES	NO	NO
REQUIRED LANGUAGE ON CLEANING AND DISINFECTION OF TRUCKS	YES	YES	NO	YES	YES
REQUIRED SEALING OF TRUCKS AT POINT OF ORIGIN	YES	YES	NO	YES	YES
AGAR GEL TEST REQUIRED	YES	NO	NO	YES	YES
CERTIFICATION REQUIREMENTS ON END	YES	YES	YES	YES	YES
<p>SAGARPA STILL DOES NOT ALLOW IMPORTS OF BONE-IN CHICKEN LEG QUARTERS FOR FURTHER PROCESSING TO THE INTERIOR OF MEXICO BECAUSE OF CONCERNS ABOUT PRODUCTS BEING DIVERTED TO THE RETAIL MARKET.</p> <p>IMPORTS ARE PROHIBITED FROM THE STATES OF CONNECTICUT, CALIFORNIA, DELAWARE, NEW JERSEY, MARYLAND, MISSOURI, TEXAS, AND PENNSYLVANIA BECAUSE OF AI.</p> <p>TEST SHOULD BEGIN 21 DAYS BEFORE LAYING AND SHOULD CONTINUE ON A QUARTERLY BASIS.</p> <p>END STATEMENT FOR MEAT, MEAT PRODUCTS AND BY PRODUCTS. - "THAT THE PRODUCT COMES FROM FLOCKS THAT HAVE A MONITORING PROGRAM OF 70 BIRDS THAT BEGAN AFTER 12 DAYS OF AGE, USING VIRAL ISOLATION TESTS AND IDENTIFICATION OF VELOGENIC STRAINS THROUGH A TEST THAT INDICATES INTRACEREBRAL PATHOGENICITY IN CHICKS OF ONE DAY OF AGE AND THAT IS CARRIED OUT FOR EACH LOT THAT IS DELIVERED FOR SLAUGHTER, OBTAINING NEGATIVE RESULTS FOR VELOGENIC NEWCASTLE DISEASE, OR THAT COMES FROM A COUNTRY FREE OF VELOGENIC NEWCASTLE DISEASE. "</p> <p>IMPORTS ARE ONLY APPROVED TO PROCEED TO FEDERAL INSPECTED PLANTS (TIF) AND NON-TIF MEAT PROCESSING FACILITIES AUTHORIZED BY SAGARPA.</p> <p>IMPORTS ARE PROHIBITED FROM CALIFORNIA, CONNECTICUT, DELAWARE, MARYLAND, MISSOURI, NEW JERSEY, PENNSYLVANIA AND TEXAS, UNLESS THEIR DESTINATION IS AN ESTABLISHMENT AUTHORIZED BY SAGARPA TO CARRY OUT THERMAL TREATMENT PROCESSES. HOWEVER, IMPORTS OF RAW MATERIALS FOR THERMAL PROCESSING SHOULD NOT COME OR ORIGINATE FROM THE FOLLOWING TEXAS COUNTIES: GONZALES, GUADALUPE, GALDWELL, BASTROP, FAYETTE, LA VACA, DE WITT, KARNES, WILSON, COMAL AND HAYS.</p> <p>FOR ADDITIONAL INFORMATION REGARDING POULTRY MEAT AND EGG PRODUCTS EXPORTS TO MEXICO SEE THE WEB PAGE USDA/FSIS/EXPORT LIBRARY AT HTTP://WWW.FSIS.USDA.GOV (EXPORT REQUIREMENTS FOR MEAT AND POULTRY PRODUCTS)</p>					

Following the Avian influenza detections in Asia and the United States, Mexico's poultry industry began more closely exploring export options in Asia, particularly in China and Japan. The industry participated in a SAGARPA trade mission to China and is hopeful that the recently completed Mexico-Japan Free Trade Agreement will lead to new opportunities. While the agreement is not yet in effect, Mexican producers will be granted a 10 MT tariff-rate quota (TRQ) at zero duty for trade show samples during the first year. TRQ access will increase to 2,500 MT in year two and will increase by 2,000 MT annually until reaching 8,500 MT in year five. TRQ access will then remain at the 8,500 MT level. TRQ and high-tier tariff levels have not yet been established, but Mexican poultry producers are hopeful that they will be able to make inroads in the Japanese market, possibly even at the high-tier tariff level.

➤ **MARKETING**

Mexico's poultry producers conduct generic promotional campaigns, particularly during the holiday season. Additionally, major processors advertise their products regularly. The campaigns, coupled with the relative affordability of poultry products and consumer health concerns appear to have been consistently successful in expanding per capita chicken consumption. The majority of U.S. chicken exports are used as inputs to further processing or are consumed directly (primarily CLQs) in the border area. U.S. exporters should focus on the many uses of chicken in food processing, institutional uses, and the health benefits of chicken. Mexico also imports small quantities of whole ducks for consumption in the restaurant sector, primarily by Chinese restaurants.

TURKEY MEAT

➤ **PRODUCTION**

Turkey meat production for MY 2004 and 2005 (Jan-Dec) is now estimated lower at 14,000 MT as domestic producers continue to face competition from U.S. and Chilean imports. While most of the turkey produced in Mexico is marketed as whole birds, imports of both parts and whole birds appear to be stifling the growth in domestic production.

➤ **CONSUMPTION**

Demand for turkey products from the processing industry is expected to continue strong. Consumption of turkey in the form of cold cuts continues to increase, primarily through sales in supermarkets and delicatessen-type restaurants. Average per capita consumption is estimated by UNA at 4.51 pounds for 2004 including whole turkey, turkey cuts and other turkey products. Consumption estimates for MY 2003 were revised slightly upwards based on the latest official data. Turkey prices during the Christmas season in 2004 were US \$2.84 to \$3.10/kg for whole uncooked turkey, and US \$3.72 to \$3.99/kg for smoked turkey.

➤ **TRADE**

MY 2005 turkey meat imports are forecast slightly higher in light of expectations that imports from the U.S. and Chile will increase. Demand for turkey parts, mainly from the United States, for further processing remains strong. Turkey meat imports for MY 2004 were revised upward to 171,000 MT due to increased demand and the pace of imports. Turkey meat imports for MY 2003 remain unchanged. The processing industry imports most of the turkey parts and mechanically separated turkey (MST) as inputs for the domestic cold-cuts industry. Domestic meat processors are importing turkey thigh meat to produce cooked hams made up of blends of domestic pork and U.S. turkey thighs.

➤ **MARKETING**

Around 75 percent of the total production in Mexico is marketed as whole turkeys during the Christmas season and approximately 25 percent is sold as cut-up and further processed turkey meat products. The USA Poultry and Egg Export Council, along with local turkey producers, has sponsored generic marketing campaigns to increase overall consumption of selected turkey products in Mexico. Turkey's strength in Mexico appears to be its flexibility as an input in the food processing sector as well as its growing acceptance among consumers in the form of lunchmeat and turkey hams. Consumption of whole birds has thus far been limited primarily to the holiday season, and at this stage there does not appear to be a shift away from this tendency.